

Transcript of remarks by SLW on enhancing review mechanism of Statutory Minimum Wage

Following is the transcript of remarks by the Secretary for Labour and Welfare, Mr Chris Sun, at a media session after attending a radio programme to elaborate on enhancing the review mechanism of the Statutory Minimum Wage (SMW) this morning (May 4):

Reporter: You said the new way to decide the minimum wage would not reduce the wage. How do you see some in the business sector worried that the new change would actually make more burden on employers? How many workers will be benefitted from the new change?

Secretary for Labour and Welfare: The improved mechanism just approved by the Chief Executive in Council consists of two parts. The first part is that we are going to review the SMW on an annual basis. In order to do that, the Minimum Wage Commission recommended and we agreed that we have to adopt a formula-based approach. With the formula-based approach, that will enable the Commission, also the Government, to adjust the SMW on a yearly basis. If you look at the composition of the formula, it has taken into account, on the one hand, the need to protect those earning the SMW that their wage is being protected; and also at the same time to ensure that the formula is affordable and acceptable to the business sector. It has already struck a balance between different needs and demands. So, we believe it shouldn't affect the overall competitiveness of our business sector and it should be affordable to them. Right now, around 0.6 per cent of our workforce are receiving the SMW and that translates into about 17 000.

(Please also refer to the Chinese portion of the transcript.)